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THE DIRECTOR OF INTELLIGENCE AND RESEARCH

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TO : The Secretary  
 THROUGH: C/S  
 FROM : T.R. - Thomas L. Hughes *ML*

INTELLIGENCE NOTE: KHRUSHCHEV SIGNS MODERATION ON BERLIN AND CHINA IN BERLIN CONGRESS SPEECH

Khrushchev's Berlin speech today turned out to be a rather routine review of Soviet policies. Unless some major developments occur in subsequent congress proceedings or in side activities, his main reason for making the trip now appears to have been to shore up East German Party morale by his presence and to demonstrate again to the world the importance which the Soviets attach to their position in East Germany.

On Berlin, Khrushchev added no new substance to the Soviet negotiating position. He underlined recent indications of a relative lack of urgency in Soviet demands for a settlement by noting that the erection of the Wall had made the peace treaty less pressing. More ominously, he referred to East German ability to put pressure on the access routes, but seemed to imply that this applied to West German rather than Allied traffic.

On Intra-Bloc Relations, Khrushchev, while forcefully reaffirming Soviet arguments regarding Cuba and the dangers of war, on the whole displayed calm. He formally ruled out a world Communist conference now on the grounds (correct, we think) that it would result in an open split. It is doubtful that his call for an end to polemics will be heeded by Peking which has a backlog of direct attacks — including Ulbricht's yesterday and Pravda's January 7 — to answer. Khrushchev's apparent tactic is to let other Parties lead the attack on the Chinese for the moment, thus impressing on the Chinese their minority position, while retaining some flexibility for himself.

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The speech was barren on disarmament except to note quite categorically that progress on Berlin and Germany must occur before sufficient trust is established for disarmament agreements. This is not a new line and it has not in the past led the Soviets to rule out progress on individual disarmament measures.

Ulbricht's Status. Khrushchev's references to Ulbricht were nominal, while his praise of the SED was about standard for the occasion. No firm conclusions are possible from the speech regarding Khrushchev's plans for Ulbricht. If some decline in his position were in the offing the speech would certainly not be incompatible with it. A drastic demotion, on the other hand, is unlikely. Whatever the fortunes of individual East German leaders Khrushchev made clear that he expected the SED regime to extract higher productivity from the populace and to be on guard against subversive intellectual influences from West Germany (He indicated in this connection that Soviet intellectuals, too, would be hearing more from him as soon as he returns to Moscow.)

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